REMARKS

This application has been carefully reviewed and amended in light of the Official Action mailed on October 14, 1998. Reconsideration and further examination of the patentability of the claims is respectfully requested. The claims remaining in the application are claims 1-26.

All pending claims were rejected under 35 U.S.C. 103(a) over Duck and Foreman. This rejection is respectfully traversed.

As the Examiner knows, the *Manual of Patent Examining Procedure* states:

> To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.
>
> The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

MPEP § 2143.

Claim 1 is an automated system for encoding on the face of a check at a point-of-sale, which includes:

> a point-of-sale register operable to determine a transaction amount;
>
> an input device coupled to the point-of-sale register and operable to receive the transaction amount and determine a check amount in response to receiving an input from a user; and
>
> a check encoder coupled to the point-of-sale register and the input device and operable to receive the check amount and encode the check amount in a machine-readable format at a predetermined location on the face of the check.

Duck and Foreman both lack the suggestion and motivation to properly combine the two references to prevent counterfeiting or altering the check as the Examiner asserted. Duck asserts,

"[o]nce the label is permanently affixed to the check, any later attempts to manipulate the check's contents is readily and easily discerned." (column 3, lines 22-24) Duck further states,

> should a counterfeiter attempt to place another payee label over the top of the completed check, the underlying payee portion is obvious to the bank and would be instantly "flagged" and reported to the proper authorities; alternatively, if the counterfeiter attempts to remove the label, the label will tear and disfigure the check rendering it void.

Therefore, Duck views the use of the labels as a way to detect any attempt to alter the check. Thus, Duck teaches away from directly printing on the face of the check. Applicant also disagrees that counterfeit prevention would be a legitimate motivation to combine Duck and Foreman. Printing directly on the face of a check does not necessarily alleviate the concern for check counterfeiting unless the ink is permanent ink that cannot be washed out of the fibers of the check with water or other solvents. Foreman does not teach the use of permanent ink to prevent counterfeiting. Security measures taught by Foreman includes the use of encrypted passwords and retracting the blank money orders into the printer housing when printing is not occurring, but not by printing directly on the face of the money orders. Therefore, the Examiner's suggestion to combine the references to reject the claims is improper.

Even if it were proper to combine Duck and Foreman, the combination of Duck and Foreman does not teach or suggest all of the limitations of claim 1, including "an input device coupled to the point-of-sale register and operable to receive the transaction amount and determine a check amount in response to receiving an input from a user". The input device allows the customer or retail clerk to enter in a tender amount different than the transaction amount. Nowhere in Duck or Foreman is there teaching or suggestion of such a device.

For these and other reasons, claim 1 and claims 2-5 depending therefrom are deemed patentable over the art as combined.

Independent claim 6 was also rejected over Duck-Foreman for the same reasons. This rejection is respectfully traversed. Claim 6 is a method for encoding checks at a point-of-sale, which includes:

determining a transaction amount;
receiving an input from a user in response to the transaction amount and determining a check amount;
receiving a check;
encoding the check amount on the face of the check in a machine-readable format at a predetermined location; and
issuing the encoded check.

Applicants respectfully submit that it is improper to combine Duck and Foreman because there is no suggestion or motivation to do so. As stated above, the concern for counterfeiting is not a proper motivation for the combination because Duck teaches away from printing directly on the check and Foreman does not provide any means of remedying Duck in order to prevent counterfeiting.

Furthermore, Duck-Foreman does not teach or suggest all of the limitations of claim 6, including "receiving an input from a user in response to the transaction amount and determining a check amount."

For the foregoing reasons, claim 6 and dependent claims 7-12 are deemed patentable over Duck and Foreman.

The third independent claim, claim 13, was also rejected over Duck-Foreman for the same reasons. This rejection is respectfully traversed. Claim 13 is also a method claim directed to a method for encoding checks at a point-of-sale, which includes:

determining a transaction amount;
receiving an input from a user in response to the transaction amount and determining a check amount;
receiving a check;
printing a payee name at a predetermined payee location on the check;
printing a numeric check amount on a predetermined numeric check amount location on the check;
printing the check amount in words on a predetermined word check amount location on the check;
encoding the check amount on the face of the blank check in magnetic ink on a MICR line of the check; and
issuing the encoded check to the user.

As set forth above, Applicant believes that the Examiner's reason for combining the references lacks the required suggestion and motivation. Even if the combination was properly made, Duck-Foreman still does not teach and suggest all of the limitations found in claim 13. These include, more specifically, "receiving an input from a user in response to the transaction amount and determining a check amount; . . . printing the check amount on the face of the blank check in magnetic ink on a MICR line of the check". By printing the check amount on the MICR line of the check, conventional check processing machines, such as high speed reader/sorters, which operate by reading the information printed in magnetic ink on the MICR line, can easily process these checks encoded by the method of the present invention. Although Duck teaches printing the check amount in a machine-readable format, Duck prints this information on a label, which is then affixed by the user to the check amount field, not on the MICR line. Foreman does not teach or suggest printing any information in magnetic ink on the face of a check or a money order at any location.

For these and other reasons, claim 13 and claims 14-18 depending therefrom are patentable over Duck and Foreman.

Independent claim 19 is directed to a pocket-size personal check encoder, which includes:

> a keypad having a plurality of alphanumeric keys operable to receive a check amount form a user;
>
> a display coupled to the keypad and operable to display the check amount entered by the user; and
>
> a check encoder coupled to the keypad and display operable to receive the check amount and encode the check amount from the keypad and encode the check amount in a machine-readable format at a predetermined location on a check.

The Examiner also rejected claim 19 over Duck and Foreman for the same reason. As set forth above, Duck and Foreman both lack the suggestion and motivation to be properly combined to prevent counterfeiting or tampering of the check as the Examiner asserted. Applicant also submits that counterfeit prevention would not be a proper motivation to combine Duck and Foreman. Therefore, the Examiner's suggestion to combine the references to reject the claims is improper.

Even if it were proper to combine Duck and Foreman, the combination does not teach or suggest all of the limitations of claim 19, including" a keypad having a plurality of alphanumeric keys operable to receive a check amount form a user; a display coupled to the keypad and operable to display the check amount entered by the user". The Examiner suggested that it would have been obvious to modify Duck's label encoder to make it pocket size. However, Duck's label encoder lacks a keypad and a display. Although Duck does disclose a cash register which has a keypad and a display, Duck does not teach or suggest tucking the register in a user's pocket to use with the label encoder as a pocket-size personal check encoder of the present invention. Therefore, nowhere in Duck or Foreman is there teaching or suggestion of the claimed device.

For these and other reasons, claim 19 and claims 20-26 depending therefrom are deemed patentable over the art as combined.

Conclusions

Applicant has made an earnest attempt to place this case in condition for allowance. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests reconsideration and full allowance of all pending claims. If the Examiner believes a telephone conference would advance prosecution of this case, the undersigned attorney for Applicant stands willing to conduct such a telephone interview at the convenience of the Examiner. The undersigned attorney may be reached at 214-953-6690.

Applicant does not believe that any additional fees are due; however, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,

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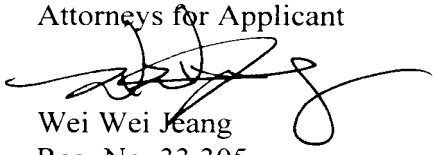

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